

Message Text

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47

ORIGIN COME-00

INFO OCT-01 EUR-12 ISO-00 EB-07 TRSE-00 AID-05 CEA-01

CIAE-00 FRB-03 INR-07 NSAE-00 CIEP-01 SP-02 STR-04

LAB-04 SIL-01 SAM-01 OMB-01 /050 R

DRAFTED BY COM:BIEPR:OTP:I;D:CGBARE

APPROVED BY STATE:EUR/RPE/JMCCARTHY

COM:BIEPR:OTP:IND:HABRATT

COM:BIEPR:OTP:TNAK:KKUWABARA

COM:BDC:RMEYER

STATE:EUR/CE:RCASAGRANDE

STATE:EUR/RPE:RBRESSLER

STATE:EB/OT/STA:RMEYER

STATE:EB/TT/OA/AUP:JGORDON

TREASURY:MFELDMAN/C OUILLETT

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R 280153Z FEB 76

FM SECSTATE WASHDC

TO AMEMBASSY BONN

INFO USMISSION EC BRUSSELS

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMCONSUL BREMEN

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E.O. 11652:

TAGS: EAIR, GW, EEC

SUBJECT: GERMAN AEROSPACE PROGRAM

REF: A. BONN 1373, B. USEC 9195 (14 OCT. 75) C. BASIC

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PROGRAM FOR THE GERMAN AEROSPACE INDUSTRY 1974-78

(POUCHED EUR/CE) (NOTAL)

1. GOVERNMENT SUBSIDIZATION OF DEVELOPMENT OF CIVIL AIRCRAFT SUCH AS DESCRIBED IN REF. A IS A MATTER OF CONTINUING CONCERN TO USG. AS EMBASSY AWARE, EC COMMISSION PROPOSAL OF OCTOBER, 1975 (REF. B) IS AMBITIOUS DESIGN FOR, INTER ALIA, COOPERATIVE PROGRAMS FOR THE DEVELOPMENT, RESEARCH, FINANCE AND MANUFACTURE OF EUROPEAN CIVIL TRANSPORT AIRCRAFT AND THE EVENTUAL PHASING OUT OF COMPETING NATIONAL PROGRAMS. WE HAVE REGULARLY RAISED THIS AND PREVIOUS PROPOSALS WITH EC COMMISSION IN SEMI-ANNUAL U.S.-EC CONSULTATIONS WHERE WE GENERALLY STRESSED A) OUR UNDERSTANDING OF EUROPEAN DESIRES TO DEVELOP A HEALTHY AIRCRAFT INDUSTRY; B) THAT WHILE SUBSIDIES MAY BE JUSTIFIED IN SOME CASES, PARTICULARLY FOR THE DEVELOPMENT OF NEW TECHNOLOGY, THE PRACTICE OF SUBSIDIZING PRODUCTION AND MARKETING DISTORTS COMPETITION AND RAISES QUESTIONS ABOUT THE FAIRNESS OF THESE PRACTICES; C) CONCERN OVER THE TENDENCIES OF SOME EUROPEAN COUNTRIES (NOT FRG TO

OUR KNOWLEDGE) TO PRESSURE GOVERNMENT-CONTROLLED AIRLINES TO PURCHASE NATIONAL OR EUROPEAN AIRCRAFT; AND D) THAT COOPERATION BETWEEN U.S. AND EUROPEAN AIRCRAFT INDUSTRIES ON A SOUND COMMERCIAL BASIS WOULD LEAD TO A MUTUALLY BENEFICIAL RELATIONSHIP.

2. ACTION. REQUEST EMBASSY EXPLORE WITH APPROPRIATE FRG OFFICIALS THE RELATIONSHIP BETEEN NATIONAL PROGRAMS AND EC COMMISSION PROPOSALS AND GERMAN VIEWS TOWARD THOSE PROPOSALS. REQUEST ANY SPECIFIC FRG IDEAS ON HOW THE COOPERATION WITH U.S. FIRMS SUGGESTED BY SHOMERUS IN REF. A CAN BE ACHIEVED, GERMAN VIEWS ON EXPORT POTENTIAL OF SUBSIDIZED CIVIL AIRCRAFT PEYOND THOSE CONTAINED REF C AND WHETHER ANY PREFERENTIAL GOVERNMENT AND/OR LUFTHANSA PROCUREMENT IS ENVISIONED. THOUGH WE DO NOT JUDGE A FORMAL REPRESENTATION WARRANTED AT THE PRESENT TIME, EMBASSY SHOULD SEEK OUT APPROPRIATE OCCASIONS TO MAKE POINTS IN PARAGRAPH 1 WHICH WE HAVE MADE TO EC COMMISSION. REQUEST EMBASSY REPORT ON DEVELOPMENTS OF FRG SUBSIDY POLICY FOR AIRCRAFT, DATA PROCESSING AND OTHER LIMITED OFFICIAL USE

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SECTORS AS PROGRAMS MOVE THROUGH GOVERNMENTAL CHANNELS SO THAT USG CAN, IF WARRANTED, MAKE VIEWS KNOWN PRIOR TO FORMAL DECISIONS. INGERSOLL

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Message Attributes

Automatic Decaptoning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AEROSPACE INDUSTRY, PROGRAMS (PROJECTS), SUBSIDIES
Control Number: n/a
Copy: SINGLE
Draft Date: 28 FEB 1976
Decapton Date: 01 JAN 1960
Decapton Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976STATE048491
Document Source: CORE
Document Unique ID: 00
Drafter: BIEPR:OTP:I;D:CGBARE
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760076-0544
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t1976022/aaaaabbb.tel
Line Count: 110
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN COME
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 BONN 1373
Review Action: RELEASED, APPROVED
Review Authority: morefirh
Review Comment: n/a
Review Content Flags:
Review Date: 31 MAR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <31 MAR 2004 by ElyME>; APPROVED <07 JUL 2004 by morefirh>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: GERMAN AEROSPACE PROGRAM
TAGS: EAIR, GE, EEC
To: BONN
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006